

FAQs

Question: Who do I submit my completed North Dakota Communitization Agreement (CA) to?

Normally, you would submit all North Dakota and South Dakota Federal and Indian CAs to the North Dakota Field Office (NDFO) but since the NDFO is so overburden with the heavy workload created by the Bakken boom, all North Dakota and South Dakota Federal and Indian CAs are being processed by the Montana State Office (MSO) in Billings, Montana.

The address and BLM representatives that are currently processing the North Dakota and South Dakota CAs are:

Federal CAs:

Terra Gusler	406-896-5062	tgusler@blm.gov
Merry Prestridge	406-896-5026	mprestri@blm.gov

Indian CAs:

Jane Buechler	406-896-5058	jbuechle@blm.gov
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Address:

Montana State Office
5001 Southgate Drive
Billings, MT 59101

Please mail all completed North Dakota and South Dakota Federal and Indian CAs and any additional information pertaining to CAs to the personnel and address above. We can accept all corrections or additional information via email but all originally, notarized signed documents must be received by mail.

ALL OF THE FOLLOWING QUESTIONS AND ANSWERS ONLY PERTAIN TO FEDERAL CAs. INDIAN CAs REQUIRE DIFFERENT ITEMS; THEREFORE, CONTACT THE REPRESENTATIVE ABOVE FOR ANY QUESTIONS CONCERNING INDIAN CAs.

Question: What signatures do we need to include with our Federal Communitization Agreement?

Answer: We only require signatures for Federal leases involved in the Communitization Agreement. There are two options to providing signatures:

1. If you have a NDIC pooling order:
 - a. Only Federal lessee (record title owners) signatures are required.

2. If you DO NOT have a NDIC pooling order:
 - a. Both Federal lessee (record title owners) and working Interest (operating rights owners) signatures are required.

Note: The definition of a signature for Federal Communitization Agreement is a notarized, original signature.

Question: Why does the BLM require the Federal lessees and working interest owners to provide a signature for a Communitization Agreement which involves their Federal lease?

Answer: All lessees (and sometime working interest owners, see above) must provide notarized, original signatures when their Federal lease is involved in a Federal Communitization Agreement because the lessee is held ultimately responsible for anything that occurs on their leased lands. The signature provided by the lessee (and working interest owner, if required) provides acknowledgement that they understand there is activity occurring on their leased lands and whatever may occur will be their responsibility if the operator defaults on their commitments.

By the lessee (and working interest owners) signing the Communitization Agreement, this does not imply that the lessee (and working interest owner) is participating in the well.

Question: What do we do if the lessee(s) (working interest owners, if required) refuse to sign the Communitization Agreement?

If the operator has provided a good-faith effort to acquire a notarized, original signature from the Federal lessee(s) (working interest operator(s), if required) and the Federal lessee(s) still refuses to sign or they cannot be located, the BLM representatives can provide the operator with a statement they can use in order to sign in lieu of the Federal lessee(s).

Question: What documents do you require with the submission of the completed CA if the well is held in confidential status?

- Answer:**
1. NDIC APD
 2. NDIC Well completion report (if the well has been completed for production)
 3. Final directional survey (if the well has been completed for production)
 4. Any sundries which may affect the surface or bottomhole location, change of operator or approved name change
 5. Well location map of the surface location, wellbore, and bottomhole location (if the well has been completed for production)

Question: How many copies of the CA are required to be submitted?

Answer: The CA manual states that 4 copies must be submitted for review to the appropriate office but we only require at a minimum 2 copies. At least one of these copies has to be originally signed and notarized by all parties as required and the other copy may have copied signatures. The originally signed copy will stay with the Federal authority and the copied signature CA will be mailed back to the operator once it has been approved. If the operator prefers to have an originally signed copy or more copies; then they can submit additional copies as they would prefer. In the end, the Federal Authority will retain one originally, notarized copy of the CA and all other submitted copies will be returned to the operator.

Question: Can I change the CA contract language?

Answer: No. The contract language for the Federal and Indian CAs must retain its original form. The only information that can be changed within the contract are those areas that are fillable which pertain specifically to your CA. All of other standard language contained in the contract must remain intact. We have additional fillable forms of the CA contract to account for overlapping/overlying CAs.

Question: What does it mean to have an overlapping or an overlaying CA?

Answer: An overlapping CA occurs when there is already an approved Federal or Indian CA within the new CA spacing unit. The new CA does not encompass the entire spacing area of the already approved CA.

An overlaying CA occurs when there is already an approved Federal or Indian CA within the new CA spacing unit. The already approved CA is fully encompassed by the new CA.

Both of these situations must use the Overlapping/Overlaying CA contract and must address these previously approved CAs. Both the Exhibit A and Exhibit B must include the previously approved CA and examples can be found on our website.

Since the previously approved CA already retains the signatures of the Federal lessees and working interest owners, these do not need to be included in the new CA.

Question: On the Exhibit A, do I need to include all of the working interest owners and percentage of ownership?

Answer: No. The only required items to be documented on Exhibit A are the Tract Numbers, whether the lease is Fee, Federal or State, the total acreage of the tract and the Federal lease serial numbers.

Question: Can I split a Federal lease into several different tracts on the Exhibit A?

Answer: No. All Federal leases whether they only have 40 acres in the Exhibit A or if they have 200 acres in several different locations within the spacing unit must be retained in the one tract. You cannot split a Federal lease into several different tracts. If you have several different Federal leases within the spacing unit, each Federal lease will have to have its own Tract number.

Question: In the Exhibit B, do we have to list all of the Fee leases and the correlating information within each tract or can I self-certify the Fee leases?

Answer: You must list all of the information required in the CA manual for every Fee lease within a tract for that CA. We will not accept self-certifications for fee leases.

Question: What if my lands in a lease cover more land than is in the designated tract or are outside of the spacing unit? Do I include all of the lands within the lease in my Exhibit B tract description?

Answer: The land descriptions located in Exhibit B are only describing the lands in the tract not the lands involved in the lease; therefore, every lease within Exhibit B will have the same land description for that tract. If your company would like to be able to differentiate between leases and know what lands are involved you can enter gross acres of the tract and net acres for the lease in the acreage description area.

Description of Land Committed: EX: T 153 N, R. 102 W, 5TH PM, ND

SEC. 12 N2

Number of Acres: 320 (gross)/ 160 (net)

Question: What do I do with a Federal lease that only contains partial mineral ownership (i.e. 50% mins)?

Answer: Federal leases are based off gross acreage and not the amount of mineral ownership we retain; therefore, these leases are treated the same as any other lease within the spacing unit. The Federal lease cannot be split into two separate leases; it must be retained in a single tract and the total acreage for the lease is based on gross acres. All state leases are handled in the same manner. Federal and State agencies overrule Fee; therefore, the lease type on Exhibit A is based on the type of agency and not Fee.

Question: Can I adjust the Exhibit B categories to not include certain items?

Answer: No. The Exhibit B categories must be stated exactly as the CA manual shows and all information must be completed in its entirety. The categories and order are as follows:

Tract No. 1

Lease Serial No:

Lease Date:

Lease Term:

Lessor:

Present Lessee:

Description of Land Committed:

Number of Acres:

Royalty Rate:

Name and Percent WI Owners:

Question: Can we use our own land surveys for the Exhibit A and Exhibit B acreages and land descriptions since the river has moved?

Answer: No. All Exhibit A and Exhibit B acreages and land descriptions for Fee, State and Federal lands must be acquired from our official Federal oil and gas plats. The original survey was completed in 1940 and we understand that the river has moved since then but all of our leases are based off of these surveys; therefore, the submitted Exhibit A and Exhibit B must also be based off of these official surveys. All Federal tracts in Exhibit A and Exhibit B must contain exactly the acreage and land description as stated in the Federal leases.

Question: Where would I be able to find the BLM Montana oil and gas plats in order to create my Exhibit A and Exhibit B?

Answer: You can access all of our oil and gas plats and regular MT plats on the General Land Office (GLO) website at <http://www.glorerecords.blm.gov/>. A general guide on how to use the GLO site can be found on our CA website.

Question: Is there any way to find out what the exact legal land description of a lease is and who holds record title (lessee) and operating rights (working interest owners) for the lease?

Answer: The public can view our lease database called LR2000 for the following website address: <http://www.blm.gov/lr2000/>. A general guide on how to use the LR2000 database can be found on our CA website.

The LR2000 database is a database maintained by the BLM for all oil and gas leases. It provides a summary of what is going on with the lease at all times. You can gather lessee and operating rights owners from this website by entering in the serial number of the lease of interest. If the lessee or operating rights owners' percentage of interest in the lease is 0.00%, this means that the lessee or operating rights owners hold a percentage within a portion of the lease and our database is not powerful enough to show this amount of detail. You can still determine the percentage of interest of ownership for your Exhibit B but you will have to obtain a copy of the lease abstract from our Public Room. They can be contacted at 406-896-5004.

Question: In an Indian CA do I need to separate my fee lands from my Indian allotment lands that are contained in the same tract?

Answer: Yes. You must separate your fee lands into a sub-tract A and the Indian allotted lands are retained in the original Tract number. This separation is required on both Exhibits A and B and Exhibit B must include the net and gross acres for each tract.

Question: How many decimal places do I need to have in my recapitulation table?

Answer: Federal CAs required 4 places after the decimal point and Indian CAs require 6 places after the decimal point.